GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:2554
ANSWERED ON:12.03.2015
SUPPLY OF COAL
Hari Shri G.

Will the Minister of COAL be pleased to state:

(a) whether the Coal India Limited has not supplied at least 65 per cent of the quantity assured in the Letter of Assurances (LoAs) issued to the projects;

(b) if so, the details thereof and the reasons therefor;

(c) whether even the minimum quantity is not dispatched because of inadequate wagon allotment and dispatch by the railways; and

(d) if so, the details thereof and the steps being taken by the Government in this regard?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a)&(b):Presently coal is supplied under Fuel Supply Agreement (FSA) where supply of indigenous coal has been assured to the tune of 90% and 65% of committed quantity respectively for Thermal Power Plants (TPPs) commissioned up to March, 2009 and after March, 2009. Despatch of 348.50 MT is 84% of committed FSA quantity of 413.37 MT during April, 2014−February, 2015 (provisional), which is more than assured level of supply. Even at this level of despatch, as reported by Central Electricity Authority (CEA), coal stock of major TPPs in the country has improved from 7.23 MT (equivalent to 5 days' requirement) as on 19.10.2014 to 21.21 MT (equivalent to 15 days' requirement) as on 04.03.2015. The number of power plants carrying critical coal stock, has gone down from 66 as on 19.10.2014 to 13 as on 04.03.2015.

Coal India Limited (CIL) has reported that despatches could have been even better but following factors hampered performance:

(i) Intermittent law and order problems hampering coal movement particularly in States of Jharkhand and Orissa. In fact, transport to Kanika siding is stopped during day time by Order of District Collector since last ten months and in Talcher at 3 & 4 sidings, there is intermittent stoppage of transport and despatch.

(ii) Sub-optimal utilization of captive modes like MGR by power stations

(iii) Mismatch between indents and wagon supply and unloading constraints hampering wagon supply to the desired extent.

(iv) Heavy rains during monsoon season and heat wave conditions during summer season hampering optimal level of coal transportation and movement.

(v) Payment constraints of TPPs hampering coal supplies constraining coal companies to regulate coal supplies as per terms of FSA in line with payment received from TPPs.

(vi) Delay in completion of railway links like Jharsuguda-Barpalli in Mahanadi Coalfield Limited (MCL) command area and Tori-Shivpur in Central Coalfields Limited (CCL) command area hampering coal despatches from Basundhara mines of MCL and Amrapali mines of CCL.

(c)&(d): As mentioned in (a)&(b) above, despatches during April, 2014-February, 2015 has been 84% of FSA commitment which is more than assured level of supply.

With a view to monitoring coal supplies to Power Utility Sector, an Inter-Ministerial Sub-Group comprising representatives of Ministry of Power, Ministry of Coal and Ministry of Railways has been constituted. This Sub-Group takes various operational decisions for meeting any contingent situations relating to Power sector including critical coal stock position.

In order to improve the overall coal availability for increased power generation and also to liquidate huge stock lying at the collieries, offer was made to all Power Generating Companies drawing coal under FSA to lift the coal which is held in the stocks on "as is where is" basis with the stipulation that the Power Stations will make their own evacuation arrangement. This scheme of supply under "as is where is" basis was implemented by the coal companies from June, 2012 and has been extended for 2013-14 and also to 2014-15.All TPPs having FSA from CIL sources are informed to lift coal under this scheme by arranging their own logistics for movement from coal offered from various pithead locations.

CIL has also offered 1 MT of coal from cost plus mines of Western Coalfields Limited (WCL) through short-term MOU as extension of "as is where is basis" scheme to power stations of NTPC and APGENCO located in Andhra Pradesh and presently facing critical coal stock issues arising out of less receipt of coal from MCL/SCCL.

Further, power plants with lesser level of supply materialisation are also offered the choice of booking the coal under notified prices for lifting through their own logistics before being offered for sale under e-Auction through own logistics of consumers.